



# CHIP Improper Payment Findings

FY 2010 - FY 2012 Payment Error Rate  
Measurement (PERM) Cycles

CMS

FY 2010 - FY 2012

Updated: January 5, 2014

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## **Background**

The data contained in this package is a compilation of CHIP improper payments identified in Fiscal Years (FYs) 2010, 2011, and 2012 through the Payment Error Rate Measurement (PERM) program. PERM is the Medicaid and Children's Health Insurance Program (CHIP) improper payment measurement required by the Improper Payments Information Act of 2002 (IPIA), amended by the Improper Payments Elimination and Recovery Act of 2010 (IPERA) and later the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA). CMS annually estimates the amount of CHIP improper payments and submits those estimates to Congress.

Through the PERM program, CMS samples state Fee-For-Service (FFS) and managed care CHIP payments, collects documentation from providers, conducts a data processing review on sampled FFS and managed care payments, and performs a medical record review on sampled FFS claims. If an error is identified during medical or data processing review, states are given the opportunity to request a difference resolution. In addition, states perform eligibility reviews and submit the results of their eligibility reviews to CMS.

The PERM program uses a 17-state three-year rotation for measuring improper payments in CHIP, so that CMS measures each state once every three years. Since CHIP was not measured in FY2010, the data presented in this package consists of findings from the two most recently completed PERM cycles, FY 2011, and FY 2012, and, therefore, contains findings from 34 states. This package also includes the most recent data available to CMS.

CMS recovers the federal share of CHIP payments from states on a claim-by-claim basis from the overpayments found in error. CMS also works closely with states to review their error rates, determine root causes of errors and develop corrective actions to address the major causes of errors.

**Table 1: CHIP Errors by Component**

| Component           | Overpayments             |                         | Underpayments            |                         | Total Errors             |                         |
|---------------------|--------------------------|-------------------------|--------------------------|-------------------------|--------------------------|-------------------------|
|                     | Number of Payment Errors | Dollar Amount of Errors | Number of Payment Errors | Dollar Amount of Errors | Number of Payment Errors | Dollar Amount of Errors |
| FFS Data Processing | 340                      | \$277,525               | 69                       | \$13,361                | 409                      | \$290,886               |
| FFS Medical Review  | 531                      | \$318,598               | 8                        | \$32,406                | 539                      | \$351,004               |
| Managed Care        | 11                       | \$3,854                 | 105                      | \$50                    | 116                      | \$3,904                 |
| Eligibility         | 1,348                    | \$162,088               | 70                       | \$1,808                 | 1,418                    | \$163,896               |
| <b>Total</b>        | <b>2,230</b>             | <b>\$762,065</b>        | <b>252</b>               | <b>\$47,625</b>         | <b>2,482</b>             | <b>\$809,689</b>        |

**Table 2: Fee – For – Service (FFS) Medical Review Errors by Error Type**

| Error Code | Error Type Description     | Payment Errors |                             | Dollars in Error |                             |
|------------|----------------------------|----------------|-----------------------------|------------------|-----------------------------|
|            |                            | Number         | % of Total Number of Errors | Dollars In Error | % of Total Dollars in Error |
| MR1        | No Documentation           | 91             | 16.9%                       | \$91,535         | 26.1%                       |
| MR2        | Insufficient Documentation | 161            | 29.9%                       | \$31,525         | 9.0%                        |
| MR3        | Procedure Coding Error     | 30             | 5.6%                        | \$11,150         | 3.2%                        |
| MR4        | Diagnosis Coding Error     | 13             | 2.4%                        | \$45,872         | 13.1%                       |
| MR5        | Unbundling                 | 0              | 0.0%                        | \$0              | 0.0%                        |
| MR6        | Number of Unit(s) Error    | 54             | 10.0%                       | \$76,974         | 21.9%                       |
| MR7        | Medically Unnecessary      | 4              | 0.7%                        | \$12,742         | 3.6%                        |
| MR8        | Policy Violation           | 153            | 28.4%                       | \$75,050         | 21.4%                       |
| MR9        | Admin/Other                | 33             | 6.1%                        | \$6,157          | 1.8%                        |
|            | <b>Total</b>               | <b>539</b>     | <b>100%</b>                 | <b>\$351,004</b> | <b>100%</b>                 |

**Table 3: Fee – For – Service (FFS) Medical Review Errors by Service Type**

| Service Type  | Payment Errors |                             | Dollars in Error |                             |
|---|----------------|-----------------------------|------------------|-----------------------------|
|   | Number         | % of Total Number of Errors | Dollars In Error | % of Total Dollars in Error |
| Prescribed Drugs  | 150            | 27.8%                       | \$110,929        | 31.6%                       |
| Psychiatric, Mental Health, and Behavioral Health Services  | 93             | 17.3%                       | \$48,972         | 14.0%                       |
| Physicians and Other Licensed Practitioner Services   | 78             | 14.5%                       | \$21,911         | 6.2%                        |
| Outpatient Hospital Services and Clinics  | 52             | 9.6%                        | \$22,898         | 6.5%                        |
| Dental and Other Oral Surgery Services  | 45             | 8.3%                        | \$15,258         | 4.3%                        |
| Habilitation and Waiver Programs  | 34             | 6.3%                        | \$2,175          | 0.6%                        |
| Inpatient Hospital  | 33             | 6.1%                        | \$117,980        | 33.6%                       |
| Therapies, Hearing and Rehabilitation Services  | 14             | 2.6%                        | \$2,241          | 0.6%                        |
| Personal Support Services   | 12             | 2.2%                        | \$5,223          | 1.5%                        |
| Home Health Services  | 9              | 1.7%                        | \$969            | 0.3%                        |
| Durable Medical Equipment (DME) and supplies, Prosthetic/Orthopedic devices and Environmental Modifications | 6              | 1.1%                        | \$1,862          | 0.5%                        |
| Laboratory, X-ray and Imaging Services  | 6              | 1.1%                        | \$133            | 0.0%                        |
| Vision: Ophthalmology, Optometry and Optical Services   | 4              | 0.7%                        | \$213            | 0.1%                        |
| Transportation and Accommodations   | 3              | 0.6%                        | \$241            | 0.1%                        |
| <b>Total</b>  | <b>539</b>     | <b>100.0%</b>               | <b>\$351,004</b> | <b>100.0%</b>               |

**Table 4: Fee – For – Service (FFS) Medical Review Errors by Service Type and Error Type**

| Error Code | Error Type                 | Prescribed Drugs |             |                  |             | Mental Health Services |             |                  |             |
|------------|----------------------------|------------------|-------------|------------------|-------------|------------------------|-------------|------------------|-------------|
|            |                            | Number of Errors |             | Dollars in Error |             | Number of Errors       |             | Dollars in Error |             |
| MR1        | No Documentation           | 10               | 6.7%        | \$1,076          | 1.0%        | 22                     | 23.7%       | \$21,255         | 43.4%       |
| MR2        | Insufficient Documentation | 20               | 13.3%       | \$2,523          | 2.3%        | 34                     | 36.6%       | \$8,412          | 17.2%       |
| MR3        | Procedure Coding Error     | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| MR4        | Diagnosis Coding Error     | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| MR5        | Unbundling                 | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| MR6        | Number of Unit(s) Error    | 4                | 2.7%        | \$44,016         | 39.7%       | 23                     | 24.7%       | \$15,361         | 31.4%       |
| MR7        | Medically Unnecessary      | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| MR8        | Policy Violation           | 103              | 68.7%       | \$62,064         | 55.9%       | 8                      | 8.6%        | \$3,190          | 6.5%        |
| MR9        | Admin/Other                | 13               | 8.7%        | \$1,249          | 1.1%        | 6                      | 6.5%        | \$753            | 1.5%        |
|            | <b>Total</b>               | <b>150</b>       | <b>100%</b> | <b>\$110,929</b> | <b>100%</b> | <b>93</b>              | <b>100%</b> | <b>\$48,972</b>  | <b>100%</b> |

| Error Code | Error Type                 | Physician Services |             |                  |             | Outpatient Services |             |                  |             |
|------------|----------------------------|--------------------|-------------|------------------|-------------|---------------------|-------------|------------------|-------------|
|            |                            | Number of Errors   |             | Dollars in Error |             | Number of Errors    |             | Dollars in Error |             |
| MR1        | No Documentation           | 18                 | 23.1%       | \$13,831         | 63.1%       | 11                  | 21.2%       | \$1,561          | 6.8%        |
| MR2        | Insufficient Documentation | 31                 | 39.7%       | \$4,775          | 21.8%       | 20                  | 38.5%       | \$4,751          | 20.7%       |
| MR3        | Procedure Coding Error     | 18                 | 23.1%       | \$2,102          | 9.6%        | 9                   | 17.3%       | \$8,910          | 38.9%       |
| MR4        | Diagnosis Coding Error     | 0                  | 0.0%        | \$0              | 0.0%        | 0                   | 0.0%        | \$0              | 0.0%        |
| MR5        | Unbundling                 | 0                  | 0.0%        | \$0              | 0.0%        | 0                   | 0.0%        | \$0              | 0.0%        |
| MR6        | Number of Unit(s) Error    | 6                  | 7.7%        | \$821            | 3.7%        | 5                   | 9.6%        | \$6,944          | 30.3%       |
| MR7        | Medically Unnecessary      | 0                  | 0.0%        | \$0              | 0.0%        | 0                   | 0.0%        | \$0              | 0.0%        |
| MR8        | Policy Violation           | 5                  | 6.4%        | \$383            | 1.7%        | 3                   | 5.8%        | \$386            | 1.7%        |
| MR9        | Admin/Other                | 0                  | 0.0%        | \$0              | 0.0%        | 4                   | 7.7%        | \$345            | 1.5%        |
|            | <b>Total</b>               | <b>78</b>          | <b>100%</b> | <b>\$21,911</b>  | <b>100%</b> | <b>52</b>           | <b>100%</b> | <b>\$22,898</b>  | <b>100%</b> |

**Table 4: Fee – For – Service (FFS) Medical Review Errors by Service Type and Error Type (Continued)**

| Error Code | Error Type                 | Dental Services  |             |                  |             | Habilitation and Waiver Programs |             |                  |             |
|------------|----------------------------|------------------|-------------|------------------|-------------|----------------------------------|-------------|------------------|-------------|
|            |                            | Number of Errors |             | Dollars in Error |             | Number of Errors                 |             | Dollars in Error |             |
| MR1        | No Documentation           | 12               | 26.7%       | \$3,560          | 23.3%       | 1                                | 2.9%        | \$66             | 3.0%        |
| MR2        | Insufficient Documentation | 15               | 33.3%       | \$6,051          | 39.7%       | 17                               | 50.0%       | \$697            | 32.1%       |
| MR3        | Procedure Coding Error     | 2                | 4.4%        | \$93             | 0.6%        | 0                                | 0.0%        | \$0              | 0.0%        |
| MR4        | Diagnosis Coding Error     | 0                | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| MR5        | Unbundling                 | 0                | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| MR6        | Number of Unit(s) Error    | 3                | 6.7%        | \$233            | 1.5%        | 3                                | 8.8%        | \$75             | 3.4%        |
| MR7        | Medically Unnecessary      | 0                | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| MR8        | Policy Violation           | 11               | 24.4%       | \$5,182          | 34.0%       | 10                               | 29.4%       | \$998            | 45.9%       |
| MR9        | Admin/Other                | 2                | 4.4%        | \$138            | 0.9%        | 3                                | 8.8%        | \$339            | 15.6%       |
|            | <b>Total</b>               | <b>45</b>        | <b>100%</b> | <b>\$15,258</b>  | <b>100%</b> | <b>34</b>                        | <b>100%</b> | <b>\$2,175</b>   | <b>100%</b> |

| Error Code | Error Type                 | Inpatient Hospital |             |                  |             | Therapies Hearing and Rehabilitation Services |             |                  |             |
|------------|----------------------------|--------------------|-------------|------------------|-------------|---|-------------|------------------|-------------|
|            |                            | Number of Errors   |             | Dollars in Error |             | Number of Errors                              |             | Dollars in Error |             |
| MR1        | No Documentation           | 5                  | 15.2%       | \$48,375         | 41.0%       | 5   | 35.7%       | \$953            | 42.5%       |
| MR2        | Insufficient Documentation | 5                  | 15.2%       | \$2,890          | 2.4%        | 5   | 35.7%       | \$454            | 20.2%       |
| MR3        | Procedure Coding Error     | 0                  | 0.0%        | \$0              | 0.0%        | 0   | 0.0%        | \$0              | 0.0%        |
| MR4        | Diagnosis Coding Error     | 13                 | 39.4%       | \$45,872         | 38.9%       | 0   | 0.0%        | \$0              | 0.0%        |
| MR5        | Unbundling                 | 0                  | 0.0%        | \$0              | 0.0%        | 0   | 0.0%        | \$0              | 0.0%        |
| MR6        | Number of Unit(s) Error    | 6                  | 18.2%       | \$8,102          | 6.9%        | 0   | 0.0%        | \$0              | 0.0%        |
| MR7        | Medically Unnecessary      | 4                  | 12.1%       | \$12,742         | 10.8%       | 0   | 0.0%        | \$0              | 0.0%        |
| MR8        | Policy Violation           | 0                  | 0.0%        | \$0              | 0.0%        | 4   | 28.6%       | \$834            | 37.2%       |
| MR9        | Admin/Other                | 0                  | 0.0%        | \$0              | 0.0%        | 0   | 0.0%        | \$0              | 0.0%        |
|            | <b>Total</b>               | <b>33</b>          | <b>100%</b> | <b>\$117,980</b> | <b>100%</b> | <b>14</b>                                     | <b>100%</b> | <b>\$2,241</b>   | <b>100%</b> |

**Table 4: Fee – For – Service (FFS) Medical Review Errors by Service Type and Error Type (Continued)**

| Error Code | Error Type                 | Personal Support Services |             |                  |             | Home Health Services |             |                  |             |
|------------|----------------------------|---------------------------|-------------|------------------|-------------|----------------------|-------------|------------------|-------------|
|            |                            | Number of Errors          |             | Dollars in Error |             | Number of Errors     |             | Dollars in Error |             |
| MR1        | No Documentation           | 2                         | 16.7%       | \$438            | 8.4%        | 0                    | 0.0%        | \$0              | 0.0%        |
| MR2        | Insufficient Documentation | 3                         | 25.0%       | \$615            | 11.8%       | 4                    | 44.4%       | \$170            | 17.5%       |
| MR3        | Procedure Coding Error     | 0                         | 0.0%        | \$0              | 0.0%        | 0                    | 0.0%        | \$0              | 0.0%        |
| MR4        | Diagnosis Coding Error     | 0                         | 0.0%        | \$0              | 0.0%        | 0                    | 0.0%        | \$0              | 0.0%        |
| MR5        | Unbundling                 | 0                         | 0.0%        | \$0              | 0.0%        | 0                    | 0.0%        | \$0              | 0.0%        |
| MR6        | Number of Unit(s) Error    | 1                         | 8.3%        | \$14             | 0.3%        | 2                    | 22.2%       | \$148            | 15.2%       |
| MR7        | Medically Unnecessary      | 0                         | 0.0%        | \$0              | 0.0%        | 0                    | 0.0%        | \$0              | 0.0%        |
| MR8        | Policy Violation           | 3                         | 25.0%       | \$837            | 16.0%       | 3                    | 33.3%       | \$652            | 67.3%       |
| MR9        | Admin/Other                | 3                         | 25.0%       | \$3,318          | 63.5%       | 0                    | 0.0%        | \$0              | 0.0%        |
|            | <b>Total</b>               | <b>12</b>                 | <b>100%</b> | <b>\$5,223</b>   | <b>100%</b> | <b>9</b>             | <b>100%</b> | <b>\$969</b>     | <b>100%</b> |

| Error Code | Error Type                 | DME Services     |             |                  |             |
|------------|----------------------------|------------------|-------------|------------------|-------------|
|            |                            | Number of Errors |             | Dollars in Error |             |
| MR1        | No Documentation           | 1                | 16.7%       | \$18             | 1.0%        |
| MR2        | Insufficient Documentation | 2                | 33.3%       | \$95             | 5.1%        |
| MR3        | Procedure Coding Error     | 0                | 0.0%        | \$0              | 0.0%        |
| MR4        | Diagnosis Coding Error     | 0                | 0.0%        | \$0              | 0.0%        |
| MR5        | Unbundling                 | 0                | 0.0%        | \$0              | 0.0%        |
| MR6        | Number of Unit(s) Error    | 1                | 16.7%       | \$1,260          | 67.7%       |
| MR7        | Medically Unnecessary      | 0                | 0.0%        | \$0              | 0.0%        |
| MR8        | Policy Violation           | 2                | 33.3%       | \$489            | 26.3%       |
| MR9        | Admin/Other                | 0                | 0.0%        | \$0              | 0.0%        |
|            | <b>Total</b>               | <b>6</b>         | <b>100%</b> | <b>\$1,862</b>   | <b>100%</b> |

**Table 5: Fee – For – Service (FFS) Data Processing Review Errors by Error Type**

| Error Code | Error Type                         | Number Of Errors         |                             | Dollars In Error |                             |
|------------|------------------------------------|--------------------------|-----------------------------|------------------|-----------------------------|
|            |                                    | Number of Payment Errors | % of Total Number of Errors | Dollars in Error | % of Total Dollars in Error |
| DP1        | Duplicate Item                     | 6                        | 1.5%                        | \$1,520          | 0.5%                        |
| DP2        | Non-covered Service                | 102                      | 24.9%                       | \$67,825         | 23.3%                       |
| DP3        | FFS Claim for Managed Care Service | 32                       | 7.8%                        | \$76,805         | 26.4%                       |
| DP4        | Third-party Liability              | 18                       | 4.4%                        | \$1,591          | 0.5%                        |
| DP5        | Pricing Error                      | 169                      | 41.3%                       | \$85,290         | 29.3%                       |
| DP6        | Logic Edit                         | 24                       | 5.9%                        | \$5,157          | 1.8%                        |
| DP7        | Data Entry Error                   | 0                        | 0.0%                        | \$0              | 0.0%                        |
| DP8        | Rate Cell Error                    | 0                        | 0.0%                        | \$0              | 0.0%                        |
| DP9        | Managed Care Payment Error         | 0                        | 0.0%                        | \$0              | 0.0%                        |
| DP10       | Admin/Other                        | 58                       | 14.2%                       | \$52,697         | 18.1%                       |
|            | <b>Total</b>                       | <b>409</b>               | <b>100%</b>                 | <b>\$290,886</b> | <b>100%</b>                 |

**Table 6: Fee – For – Service (FFS) Data Processing Review Errors by Service Type**

| Service Type  | Payment Errors |                             | Dollars in Error |                             |
|---|----------------|-----------------------------|------------------|-----------------------------|
|   | Number         | % of Total Number of Errors | Dollars In Error | % of Total Dollars in Error |
| Prescribed Drugs  | 80             | 19.6%                       | \$2,813          | 1.0%                        |
| Inpatient Hospital  | 49             | 12.0%                       | \$155,232        | 53.4%                       |
| Outpatient Hospital Services and Clinics  | 44             | 10.8%                       | \$12,163         | 4.2%                        |
| Crossover Claims  | 44             | 10.8%                       | \$4,665          | 1.6%                        |
| Physicians and Other Licensed Practitioner Services   | 39             | 9.5%                        | \$11,039         | 3.8%                        |
| Habilitation and Waiver Programs  | 27             | 6.6%                        | \$5,581          | 1.9%                        |
| Dental and Other Oral Surgery Services  | 26             | 6.4%                        | \$7,429          | 2.6%                        |
| Psychiatric, Mental Health, and Behavioral Health Services  | 20             | 4.9%                        | \$29,147         | 10.0%                       |
| Home Health Services  | 16             | 3.9%                        | \$3,357          | 1.2%                        |
| Laboratory, X-ray and Imaging Services  | 15             | 3.7%                        | \$382            | 0.1%                        |
| Therapies, Hearing and Rehabilitation Services  | 11             | 2.7%                        | \$1,103          | 0.4%                        |
| Denied Claims   | 10             | 2.4%                        | \$720            | 0.2%                        |
| Capitated Care/Fixed Payments   | 8              | 2.0%                        | \$46,519         | 16.0%                       |
| Personal Support Services   | 6              | 1.5%                        | \$2,218          | 0.8%                        |
| ICF for the Mentally Retarded and Group Homes   | 5              | 1.2%                        | \$7,585          | 2.6%                        |
| Transportation and Accommodations   | 4              | 1.0%                        | \$101            | 0.0%                        |
| Durable Medical Equipment (DME) and supplies, Prosthetic/Orthopedic devices and Environmental Modifications | 3              | 0.7%                        | \$545            | 0.2%                        |
| Vision: Ophthalmology, Optometry and Optical Services   | 2              | 0.5%                        | \$287            | 0.1%                        |
| <b>Total</b>  | <b>409</b>     | <b>100.0%</b>               | <b>\$290,886</b> | <b>100.0%</b>               |

**Table 7: Fee – For – Service (FFS) Data Processing Review Errors by Service Type and Error Type**

| Error Code | Error Type                         | Prescribed Drugs |             |                  |             | Inpatient Hospital |             |                  |             |
|------------|------------------------------------|------------------|-------------|------------------|-------------|--------------------|-------------|------------------|-------------|
|            |                                    | Number of Errors |             | Dollars in Error |             | Number of Errors   |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 0                | 0.0%        | \$0              | 0.0%        | 1                  | 2.0%        | \$934            | 0.6%        |
| DP2        | Non-covered Service                | 19               | 23.8%       | \$941            | 33.4%       | 3                  | 6.1%        | \$26,936         | 17.4%       |
| DP3        | FFS Claim for Managed Care Service | 1                | 1.3%        | \$407            | 14.5%       | 6                  | 12.2%       | \$73,544         | 47.4%       |
| DP4        | Third-party Liability              | 1                | 1.3%        | \$8              | 0.3%        | 1                  | 2.0%        | \$0              | 0.0%        |
| DP5        | Pricing Error                      | 57               | 71.3%       | \$926            | 32.9%       | 35                 | 71.4%       | \$21,150         | 13.6%       |
| DP6        | Logic Edit                         | 2                | 2.5%        | \$530            | 18.8%       | 1                  | 2.0%        | \$2,814          | 1.8%        |
| DP7        | Data Entry Error                   | 0                | 0.0%        | \$0              | 0.0%        | 0                  | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0                | 0.0%        | \$0              | 0.0%        | 0                  | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 0                | 0.0%        | \$0              | 0.0%        | 0                  | 0.0%        | \$0              | 0.0%        |
| DP10       | Admin/Other                        | 0                | 0.0%        | \$0              | 0.0%        | 2                  | 4.1%        | \$29,853         | 19.2%       |
|            | <b>Total</b>                       | <b>80</b>        | <b>100%</b> | <b>\$2,813</b>   | <b>100%</b> | <b>49</b>          | <b>100%</b> | <b>\$155,232</b> | <b>100%</b> |

| Error Code | Error Type                         | Outpatient Services |             |                  |             | Crossover Claims |             |                  |             |
|------------|------------------------------------|---------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
|            |                                    | Number of Errors    |             | Dollars in Error |             | Number of Errors |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 0                   | 0.0%        | \$0              | 0.0%        | 2                | 4.5%        | \$310            | 6.6%        |
| DP2        | Non-covered Service                | 10                  | 22.7%       | \$3,300          | 27.1%       | 2                | 4.5%        | \$44             | 1.0%        |
| DP3        | FFS Claim for Managed Care Service | 5                   | 11.4%       | \$796            | 6.5%        | 2                | 4.5%        | \$19             | 0.4%        |
| DP4        | Third-party Liability              | 0                   | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP5        | Pricing Error                      | 19                  | 43.2%       | \$6,522          | 53.6%       | 27               | 61.4%       | \$3,733          | 80.0%       |
| DP6        | Logic Edit                         | 2                   | 4.5%        | \$232            | 1.9%        | 11               | 25.0%       | \$558            | 12.0%       |
| DP7        | Data Entry Error                   | 0                   | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0                   | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 0                   | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP10       | Admin/Other                        | 8                   | 18.2%       | \$1,313          | 10.8%       | 0                | 0.0%        | \$0              | 0.0%        |
|            | <b>Total</b>                       | <b>44</b>           | <b>100%</b> | <b>\$12,163</b>  | <b>100%</b> | <b>44</b>        | <b>100%</b> | <b>\$4,665</b>   | <b>100%</b> |

**Table 7: Fee – For – Service (FFS) Data Processing Review Errors by Service Type and Error Type (Continued)**

| Error Code | Error Type                         | Physician Services |             |                  |             | Habilitation and Waiver Programs |             |                  |             |
|------------|------------------------------------|--------------------|-------------|------------------|-------------|----------------------------------|-------------|------------------|-------------|
|            |                                    | Number of Errors   |             | Dollars in Error |             | Number of Errors                 |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 0                  | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP2        | Non-covered Service                | 23                 | 59.0%       | \$3,508          | 31.8%       | 3                                | 11.1%       | \$4,052          | 72.6%       |
| DP3        | FFS Claim for Managed Care Service | 0                  | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP4        | Third-party Liability              | 0                  | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP5        | Pricing Error                      | 5                  | 12.8%       | \$96             | 0.9%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP6        | Logic Edit                         | 2                  | 5.1%        | \$107            | 1.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP7        | Data Entry Error                   | 0                  | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0                  | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 0                  | 0.0%        | \$0              | 0.0%        | 0                                | 0.0%        | \$0              | 0.0%        |
| DP10       | Admin/Other                        | 9                  | 23.1%       | \$7,328          | 66.4%       | 24                               | 88.9%       | \$1,529          | 27.4%       |
|            | <b>Total</b>                       | <b>39</b>          | <b>100%</b> | <b>\$11,039</b>  | <b>100%</b> | <b>27</b>                        | <b>100%</b> | <b>\$5,581</b>   | <b>100%</b> |

| Error Code | Error Type                         | Dental Services  |             |                  |             | Mental Health Services |             |                  |             |
|------------|------------------------------------|------------------|-------------|------------------|-------------|------------------------|-------------|------------------|-------------|
|            |                                    | Number of Errors |             | Dollars in Error |             | Number of Errors       |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 1                | 3.8%        | \$37             | 0.5%        | 0                      | 0.0%        | \$0              | 0.0%        |
| DP2        | Non-covered Service                | 3                | 11.5%       | \$812            | 10.9%       | 6                      | 30.0%       | \$16,878         | 57.9%       |
| DP3        | FFS Claim for Managed Care Service | 3                | 11.5%       | \$961            | 12.9%       | 2                      | 10.0%       | \$324            | 1.1%        |
| DP4        | Third-party Liability              | 4                | 15.4%       | \$212            | 2.9%        | 3                      | 15.0%       | \$262            | 0.9%        |
| DP5        | Pricing Error                      | 6                | 23.1%       | \$454            | 6.1%        | 4                      | 20.0%       | \$10,105         | 34.7%       |
| DP6        | Logic Edit                         | 5                | 19.2%       | \$810            | 10.9%       | 1                      | 5.0%        | \$107            | 0.4%        |
| DP7        | Data Entry Error                   | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 0                | 0.0%        | \$0              | 0.0%        | 0                      | 0.0%        | \$0              | 0.0%        |
| DP10       | Admin/Other                        | 4                | 15.4%       | \$4,143          | 55.8%       | 4                      | 20.0%       | \$1,472          | 5.1%        |
|            | <b>Total</b>                       | <b>26</b>        | <b>100%</b> | <b>\$7,429</b>   | <b>100%</b> | <b>20</b>              | <b>100%</b> | <b>\$29,147</b>  | <b>100%</b> |

**Table 7: Fee – For – Service (FFS) Data Processing Review Errors by Service Type and Error Type (Continued)**

| Error Code | Error Type                         | Home Health Services |             |                  |             | Lab Xray Imaging |             |                  |             |
|------------|------------------------------------|----------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|
|            |                                    | Number of Errors     |             | Dollars in Error |             | Number of Errors |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 0                    | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP2        | Non-covered Service                | 7                    | 43.8%       | \$508            | 15.1%       | 3                | 20.0%       | \$44             | 11.6%       |
| DP3        | FFS Claim for Managed Care Service | 7                    | 43.8%       | \$288            | 8.6%        | 1                | 6.7%        | \$14             | 3.7%        |
| DP4        | Third-party Liability              | 0                    | 0.0%        | \$0              | 0.0%        | 2                | 13.3%       | \$66             | 17.2%       |
| DP5        | Pricing Error                      | 0                    | 0.0%        | \$0              | 0.0%        | 7                | 46.7%       | \$104            | 27.2%       |
| DP6        | Logic Edit                         | 0                    | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP7        | Data Entry Error                   | 0                    | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0                    | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 0                    | 0.0%        | \$0              | 0.0%        | 0                | 0.0%        | \$0              | 0.0%        |
| DP10       | Admin/Other                        | 2                    | 12.5%       | \$2,561          | 76.3%       | 2                | 13.3%       | \$154            | 40.3%       |
|            | <b>Total</b>                       | <b>16</b>            | <b>100%</b> | <b>\$3,357</b>   | <b>100%</b> | <b>15</b>        | <b>100%</b> | <b>\$382</b>     | <b>100%</b> |

| Error Code | Error Type                         | Therapies Hearing and Rehabilitation Services |             |                  |             |
|------------|------------------------------------|---|-------------|------------------|-------------|
|            |                                    | Number of Errors                              |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 0   | 0.0%        | \$0              | 0.0%        |
| DP2        | Non-covered Service                | 8   | 72.7%       | \$1,062          | 96.3%       |
| DP3        | FFS Claim for Managed Care Service | 0   | 0.0%        | \$0              | 0.0%        |
| DP4        | Third-party Liability              | 0   | 0.0%        | \$0              | 0.0%        |
| DP5        | Pricing Error                      | 2   | 18.2%       | \$7              | 0.6%        |
| DP6        | Logic Edit                         | 0   | 0.0%        | \$0              | 0.0%        |
| DP7        | Data Entry Error                   | 0   | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0   | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 0   | 0.0%        | \$0              | 0.0%        |
| DP10       | Admin/Other                        | 1   | 9.1%        | \$34             | 3.1%        |
|            | <b>Total</b>                       | <b>11</b>                                     | <b>100%</b> | <b>\$1,103</b>   | <b>100%</b> |

**Table 8: Managed Care Data Processing Review Errors by Error Type**

| Error Code | Error Type                         | Managed Care     |             |                  |             |
|------------|------------------------------------|------------------|-------------|------------------|-------------|
|            |                                    | Number of Errors |             | Dollars in Error |             |
| DP1        | Duplicate Item                     | 0                | 0.0%        | \$0              | 0.0%        |
| DP2        | Non-covered Service                | 10               | 8.6%        | \$3,740          | 95.8%       |
| DP3        | FFS Claim for Managed Care Service | 0                | 0.0%        | \$0              | 0.0%        |
| DP4        | Third-party Liability              | 0                | 0.0%        | \$0              | 0.0%        |
| DP5        | Pricing Error                      | 1                | 0.9%        | \$114            | 2.9%        |
| DP6        | Logic Edit                         | 0                | 0.0%        | \$0              | 0.0%        |
| DP7        | Data Entry Error                   | 0                | 0.0%        | \$0              | 0.0%        |
| DP8        | Rate Cell Error                    | 0                | 0.0%        | \$0              | 0.0%        |
| DP9        | Managed Care Payment Error         | 105              | 90.5%       | \$50             | 1.3%        |
| DP10       | Admin/Other                        | 0                | 0.0%        | \$0              | 0.0%        |
|            | <b>Total</b>                       | <b>116</b>       | <b>100%</b> | <b>\$3,904</b>   | <b>100%</b> |

**Table 9: Eligibility Payment Errors by Error Type**

| Error Code | Error Type  | Total Number of Errors | Overpayments     |                  | Underpayments    |                  | Percentage of Total Errors  |                             |
|------------|---|------------------------|------------------|------------------|------------------|------------------|-----------------------------|-----------------------------|
|            |   |                        | Number of Errors | Dollars in Error | Number of Errors | Dollars in Error | % of Total Number of Errors | % of Total Dollars in Error |
| NE         | Not Eligible  | 1,074                  | 1,074            | \$144,732        | 0                | \$0              | 75.7%                       | 88.3%                       |
| L/U        | Liability Understated   | 160                    | 160              | \$4,836          | 0                | \$0              | 11.3%                       | 3.0%                        |
| U          | Undetermined  | 97                     | 97               | \$11,302         | 0                | \$0              | 6.8%                        | 6.9%                        |
| L/O        | Liability Overstated  | 70                     | 0                | \$0              | 70               | \$1,808          | 4.9%                        | 1.1%                        |
| EI         | Eligible with Ineligible Services                                     | 12                     | 12               | \$1,061          | 0                | \$0              | 0.8%                        | 0.6%                        |
| MCE2       | Managed Care Error, Eligible for Managed Care but Improperly Enrolled | 5                      | 5                | \$157            | 0                | \$0              | 0.4%                        | 0.1%                        |
| MCE1       | Managed Care Error, Ineligible for Managed Care                       | 0                      | 0                | \$0              | 0                | \$0              | 0.0%                        | 0.0%                        |
|            | <b>Total</b>  | <b>1,418</b>           | <b>1,348</b>     | <b>\$162,088</b> | <b>70</b>        | <b>\$1,808</b>   | <b>100%</b>                 | <b>100%</b>                 |

**Table 10: Eligibility Negative Case Errors by Error Type**

| Stratum                     | Number of Cases | Percentage of All Cases | Percentage of Cases in Error |
|-----------------------------|-----------------|-------------------------|------------------------------|
| Correct                     | 6,703           | 96.5%                   | --                           |
| Improper Termination        | 149             | 2.1%                    | 62.1%                        |
| Improper Denial             | 91              | 1.3%                    | 37.9%                        |
| <b>Total Negative Cases</b> | <b>6,943</b>    | <b>100%</b>             | <b>100%</b>                  |